

Homeowner & Buyer Exchange.

By The Bayzos Team



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Introduction.

Exchanging contracts is when the buyer and seller legally agree to the sale of a property. Once this happens, both sides are committed to the transaction, and backing out becomes difficult and expensive.

Steps to Prepare for Exchange?

Before you can exchange contracts, this needs to happen:

Contracts Reviewed: Both solicitors (buyer and seller) must agree on the contract terms.

Final Price Agreed: The buyer and seller decide on the sale price.

Signed Documents: Both solicitors must hold signed contracts. The seller's solicitor also needs a signed "transfer of title deed" (TR1 form).

Buyer's To-Dos:

- Pay the deposit.
- Secure their mortgage offer.
- Get buildings insurance if needed.

Completion Date Set: Both parties agree on a date to finish the sale.

Legal Confirmation: Solicitors confirm everything is ready, then exchange contracts over the phone. This makes the agreement legally binding.



What Happens on Completion Day?

On the agreed date:

Buyer: Pays the remaining balance via their solicitor (usually using a mortgage). They officially become the property owner and receive the keys!

Seller: Must move out on time and leave the property in the agreed condition.

After Completion

Stamp Duty: The buyer's solicitor pays any Stamp Duty owed to HMRC.

Land Registration: The buyer's solicitor registers the new ownership with the Land Registry.

How Long Does Exchange Take?

Exchanging contracts itself **takes a few hours**. Solicitors review contracts, the buyer signs, pays the deposit, and directs their solicitor to exchange contracts with the seller's solicitor.



Why Could Exchange Be Delayed?

Exchanges might be delayed if:

Solicitors' Queries: Lawyers are waiting for responses to legal or property-title queries.

Slow Paperwork: Issues with leaseholds, non-standard properties, or slow local search responses can take time.

Finance Troubles: Buyers might struggle to secure a mortgage or provide necessary funds on time.



What About the Deposit?

Who Holds It? The seller's solicitor keeps the deposit until completion.

What If the Buyer Backs Out? The buyer loses the 10% deposit.



The Gap Between Exchange and Completion.

Usually, there's 1–2 weeks between exchange and completion to allow both parties time to prepare for the move.

It's possible to exchange and complete on the same day or delay completion for a future agreed date.



Potential Issues After Exchange.

Though rare, problems can occur after contracts are exchanged:

- Mortgage delays for the buyer.
- Damage to the property (e.g., from storms or floods).
- Personal emergencies, like a sudden illness or death.

If an issue arises, solicitors will usually reschedule the deal with a "notice to complete".



Consequences of Failing to Complete.

- **If the Buyer Fails:** The seller can keep the 10% deposit and claim further damages.
- **If the Seller Fails:** The buyer gets their deposit back and can claim interest for the delay.



Actions to Complete:

Homeowner & Buyer Solicitor:

Exchanged Contracts

Update Milestones:

Mark the milestone as complete in your portal to notify everyone.

Tick it off your checklist.



Important Disclaimer.

The materials in this guide are provided for general information purposes only and do not constitute legal or financial advice. Whether express or implied, no warranty is given, nor shall Bayzos Estate Agents Limited be liable for errors, omissions, or content on associated weblinks.

For personalised advice, consult your legal or financial advisor.

We look forward to assisting you every step of the way! If you have any further questions, please don't hesitate to reach out.



Final message from the founder.

Exchanging contracts is a key stage in the property buying process where the buyer and seller make a legally binding agreement to proceed with the sale. Before exchange, solicitors review the contracts, the buyer secures a mortgage and pays a deposit, and both parties agree on the final price and completion date. On completion day, the buyer pays the remaining balance and receives the keys, while the seller must vacate the property.

After completion, the buyer's solicitor handles Stamp Duty and updates the Land Registry. Delays in exchanging contracts can occur due to slow paperwork, unresolved legal queries, or financing issues. Typically, there's a 1–2 week gap between exchange and completion to give both parties time to prepare, though same-day exchange and completion are possible.

Failing to complete can have financial consequences, such as losing the deposit or facing claims for damages.

**- GARY (FOUNDER) &
THE BAYZOS TEAM**

